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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JUL 3 1 2006

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

BALLARD RURAL TELEPHONE
COOPERATIVE CORPORATION, INC.

PSC CASE NO. 2004-00036

v.

JACKSON PURCHASE ENERGY CORPORATION

**JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO THE
DATA REQUEST OF COMMISSION STAFF**

At the hearing on July 20, 2006, Commission staff made the following data requests.

1. Provide the average length of Jackson Purchase Energy Corporation ("JPEC") poles which Ballard Rural Telephone Cooperative Corporation, Inc. ("BRTCC") is attached to.

Response: Please see Exhibit "1" attached hereto and incorporated herein by reference.

2. Provide the weighted average cost for all poles owned by JPEC.

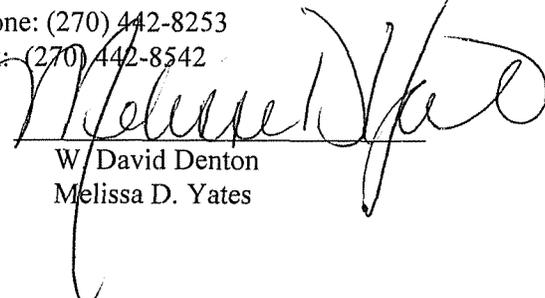
Response: Please see Exhibit "2" attached hereto and incorporated herein by reference.

3. What is the avoided cost for JPEC in attaching to a pole owned by BRTCC?

Response: Please see Exhibit "2" attached hereto and incorporated herein by reference.

Respectfully Submitted,

Denton & Keuler, LLP
PO Box 929
Paducah KY 42002-0929
Phone: (270) 442-8253
Fax: (270) 442-8542

By: 
W/ David Denton
Melissa D. Yates

I hereby certify that 10 copies of the foregoing were filed with the Public Service Commission by faxing and mailing via Federal Express to:

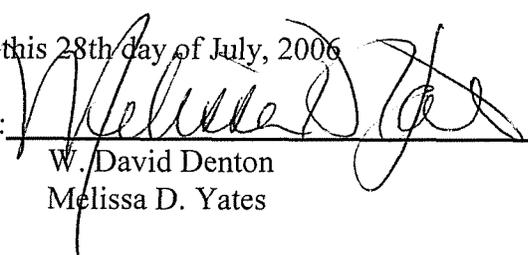
BETH O'DONNELL EXEC DIR
PUBLIC SERVICE COMMISSION
215 SOWER BLVD
P O BOX 615
FRANKFORT KY 40601
Fax: (502) 564-3460

True and correct copies of the foregoing have been mailed to:

HON ANITA MITCHELL ATTY
PUBLIC SERVICE COMMISSION
215 SOWER BLVD
P O BOX 615
FRANKFORT KY 40602

HON JOHN E. SELENT
DINSMORE & SHOHL LLP
1400 PNC PLAZA
500 W. JEFFERSON STREET
LOUISVILLE, KY 40202

on this 28th day of July, 2006

By: 
W. David Denton
Melissa D. Yates

**JPEC Poles with BRTC Attachments
July 2006**

<u>Pole Length</u>	<u>Quantity</u>	<u>Total Pole Length</u>
20	14	280
25	498	12,450
30	1,471	44,130
35	1,087	38,045
40	1,351	54,040
45	170	7,650
50	27	1,350
55	3	165
60	2	120
Totals	4,623	158,230
Average Length	34.23	

Notes:

It should be noted that the average size pole would actually be 35' as poles are not sold in less than five foot increments.

Jackson Purchase Energy Case 2004-0036

Updated with May 2006 Data

CALCULATION OF JOINT USER PORTION OF POLE COST

A	B	C	D (C/B)	E (D/A)	F (E*12.5)	G (F*B)	
Pole Length	JPEC Total Quantity	JPEC Book Value	Unit Cost	Cost per Foot	1/2 of First 25'	Capital Cost Joint User	
25	7,744	882,036	113.90	4.56	56.95	441,018	
30	16,202	4,670,549	288.27	9.61	120.11	1,946,062	
35	13,687	2,477,536	181.01	5.17	64.65	884,834	
40	17,287	7,442,121	430.50	10.76	134.53	2,325,663	
45	4,184	1,820,193	435.04	9.67	120.84	505,609	
50	721	457,754	634.89	12.70	158.72	114,438	
55	143	72,466	506.75	9.21	115.17	16,470	
Totals	59,968	17,822,654				6,234,094	
Weighted Cost of Average JPEC pole -->			<u>297.20</u>			Weighted Cost of Joint User Portion --> <u>103.96</u>	

Updated with May 2006 Data

CALCULATION OF JOINT USER PORTION OF POLE COST WITH SAFETY SPACE

A	B	C	D (C/B)	E (D/A)	F (E*12.5)	G (E*5)	H (F+G)	I (H*B)
Pole Length	JPEC Total Quantity	JPEC Book Value	Unit Cost	Cost per Foot	1/2 of First 25'	5' of Safety Space	Total Joint User Space	Capital Cost Joint User
25	7,744	882,036	113.90	4.56	56.95	22.78	79.73	617,426
30	16,202	4,670,549	288.27	9.61	120.11	48.04	168.16	2,724,487
35	13,687	2,477,536	181.01	5.17	64.65	25.86	90.51	1,238,768
40	17,287	7,442,121	430.50	10.76	134.53	53.81	188.35	3,255,928
45	4,184	1,820,193	435.04	9.67	120.84	48.34	169.18	707,853
50	721	457,754	634.89	12.70	158.72	63.49	222.21	160,214
55	143	72,466	506.75	9.21	115.17	46.07	161.24	23,057
Totals	59,968	17,822,654						8,727,732
Weighted Cost of Average JPEC pole -->			<u>297.20</u>			Weighted Cost of Joint User Portion --> <u>145.54</u>		

Notes: 1. The above calculation allocates the 40" of safety space as required by Table 235-5 of the National Electrical Safety Code to the Joint User. This is done because but for the presence of the joint user, the additional five feet of pole would be unnecessary and a shorter pole could be used.

While Table 235-5 of the NESC requires only 40" of safety space, allowing for the safety space actually requires JPEC to purchase and install an additional five feet of pole, as poles are not sold in increments of less than five feet.

2. JPEC's avoided cost can be computed applying the above calculated weighted cost of average JPEC pole of \$297.20 multiplied by the applicable carrying cost. Carrying cost includes operation and maintenance expense, customer accounts expense, customer expense and information expenses, depreciation expense, taxes other than income tax expense and a rate of return component. JPEC notes that the Kentucky Public Service Commission has determined in its order relative to case number 2004-00319 the rate of return component for JPEC to be 8.88%.